

MONTANA

Department of Commerce

MONTANA BOARD OF HOUSING

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MONTANA BOARD OF HOUSING

Teleconference

July 30, 2008 – 1:00 p.m.

ROLL CALL OF BOARD

MEMBERS: J.P. Crowley, Chairman (Present)
Bob Gauthier (Present)
Jeanette McKee (Present)

STAFF: Bruce Brensdal, Executive Director
Nancy Leifer, Homeownership Program Manager
Charlie Brown, Homeownership Program
Chuck Nemec, Accounting Manager
Paula Loving, Administrative Assistant

COUNSEL: John Wagner, Kutak Rock

UNDERWRITERS: Peter Nolden, RBC
Mina Choo, RBC

OTHERS: Sandy Shupe, Wells Fargo

CALL MEETING TO ORDER

Chairman, J. P. Crowley called the meeting to order at 1:10 p.m. Bruce Brensdal informed the Board that with the Housing Bill being signed by the President, Peter Nolden and Mina Choo have recommended MBOH proceed with a bond sale issue.

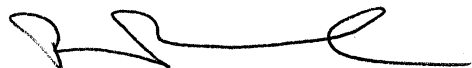
Peter Nolden confirmed the President did sign the Housing Bill in the morning. There were not any surprises within the Bill. The important part of the Bill for the Board's housing bond going forward is that the bonds will not be subjected to the Alternative Minimum Tax and as a result, should trade at lower interest rates. The Board's staff recommends a sale of \$30 million of lendable proceeds. Peter stated they are on track to mail a preliminary official statement reflecting the \$30 million dollar by August 5, 2008. The only thing needed is a sign off from the Board's accountants. The accountants will receive the preliminary official statement this afternoon and have indicated they will need 48 hours for approval.

Peter stated after the electronic distribution, it needs to be determined whether or not there will be a retail order period for the bonds on Monday, August 11, 2008. The regular pricing will occur on August 12, 2008, with a pre-closing and closing on September 10 and 11, 2008. The bonds would be issued under the Single Family Program Indenture (Indenture II). The Board has not used that Indenture for three years, primarily because in the past the loan collateral into

that Indenture was limited to FHA and VA guaranteed loans. With the implementation of the new Fannie Mae Mortgaged Backed Security Program with this new bond issue, it will accommodate private mortgage insurance and conventional mortgage loans which will be repackaged as Fannie Mae Mortgaged Backed Security. The Indenture is currently rated as Aa1 and AA+ and that is the rating Peter expects to receive for the bond issue.

The Board discussion concluded the \$30 million bond amount was appropriate and the interest promise of a lower issuance interest rate will be a great opportunity to re-enter the market.

The meeting adjourned at 1:40 p.m.



— Susan Moyer, Secretary

9.8.08

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Date